

**AGREEMENT BETWEEN KANSAS DEPARTMENT OF
CORRECTIONS AND CORIZON
FOR COMPREHENSIVE HEALTH CARE SERVICES**

This agreement is made this 3rd day of October, 2013 by and between Corizon Inc., hereinafter referred to as Contractor, and the Department of Corrections of the State of Kansas, hereinafter referred to as KDOC, pursuant to Request for Proposal number EVT 0002279.

WHEREAS, KDOC wishes to obtain professional services for comprehensive health care services; and,

WHEREAS, Contractor is a recognized vendor of these services and desires to provide them to KDOC; and,

WHEREAS, a Request for Proposal was issued pursuant to K.S.A. 75-37,102 for acquisition of these services; and,

WHEREAS, a Procurement Negotiation Committee conducted negotiations and determined the best interests of KDOC will be served by awarding a contract to Contractor to provide these services;

THEREFORE in consideration of the mutual agreements contained below, KDOC and Contractor contract as follows:

CONTRACT DOCUMENTS

The contract between KDOC and Contractor consists of --

1. The RFP (#0002279) and any amendments and/or addenda thereto;
2. Contractor's entire proposal submitted on or about July 8, 2013 in response to the RFP, and amendments, addenda, modifications and/or clarifications thereto, including the entirety of Contractor's submissions to the Procurement Negotiating Committee dated September 16,

2013, September 19, 2013, and October 3, 2013 (hereinafter cumulatively referred to as "Contractor's Bid Proposal");

3. This agreement; and,
4. Contractual Provisions Attachment Form DA-146a which is attached hereto.

In the event of any conflict between the provisions of this agreement, RFP 0002279, or the Contractor's Bid Proposal, the provisions of this agreement shall prevail over conflicting provisions of the RFP and of the Contractor's Bid Proposal, and the provisions of the RFP shall prevail over any conflicting provisions of the Contractor's Bid Proposal. In the event of a conflict between the provisions of the Contractual Provisions Attachment Form DA-146a and any other contract document, the provisions of the former shall govern.

TERM

The term of this contract shall begin January 1, 2014 and terminate on June 30, 2015. With the approval of the Procurement Negotiating Committee, the parties shall have the option to renew the contract, subject to mutual written consent of the KDOC and Contractor, for four (4) additional two-year periods: July 1, 2015 through June 30, 2017; July 1, 2017 through June 30, 2019; July 1, 2019 through June 30, 2021; and July 1, 2021 through June 30, 2023.

The parties further agree that this contract's extensions shall be by written negotiated agreement of the parties as to each such two-year extension, and it is agreed between the parties that any such negotiations shall be in good faith and shall be premised on Contractor's October 3, 2013 Cost Proposal contained in Contractor's Bid Proposal relative to those four (4) additional two-year extensions.

All extensions on this contract shall be subject to annual appropriations.

PAYMENT

Payments shall be based on Contractor's October 3, 2013 Cost Proposal, contained in Contractor's Bid Proposal.

Payments to Contractor shall be made on a monthly basis pursuant to a billing statement submitted by Contractor detailing actual services rendered for the previous month. Monthly invoices from Contractor shall be submitted on or before the 5th of each month prior to the month of service.

The not-to-exceed figures to each potential fiscal year of this contract are as follows:

- FY 2014: \$27,754,795.00;
- FY 2015: \$57,822,490.00;
- FY 2016: \$60,597,969.00;
- FY 2017: \$63,506,672.00;
- FY 2018: \$66,554,992.00;
- FY 2019: \$69,549,967.00;
- FY 2020: \$72,331,965.00;
- FY 2021: \$75,225,244.00;
- FY 2022: \$78,234,254.00;
- FY 2023: \$81,363,624.00.

MISCELLANEOUS

AUDITS

In addition to inspecting and reviewing the Contractor's services in order to determine their acceptability upon the Contractor's requisition for payment, KDOC shall be empowered to inspect and review the Contractor's services in progress at such reasonable times as desired by KDOC. Neither party to this agreement shall prohibit or prevent the Legislative Division of Post Audit from having access pursuant to K.S.A. 46-1101 *et seq.* to any records, documents, or other information -- confidential or otherwise -- regarding or relating to the execution and/or performance of this agreement.

CAPTIONS

The descriptive headings of this agreement are for convenience only and shall not be deemed to affect the meaning of any provision.

MODIFICATIONS

This agreement may only be modified by the mutual written agreement of the parties with the approval of the Procurement Negotiating Committee.

State of Kansas
Department of Administration
DA-146a (Rev. 06-12)

CONTRACTUAL PROVISIONS ATTACHMENT

Important: This form contains mandatory contract provisions and must be attached to or incorporated in all copies of any contractual agreement. If it is attached to the vendor/Contractor's standard contract form, then that form must be altered to contain the following provision:

"The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 06-12), which is attached hereto, are hereby incorporated in this contract and made a part thereof."

The parties agree that the following provisions are hereby incorporated into the contract to which it is attached and made a part thereof, said contract being the _____ day of _____, 20____.

1. **Terms Herein Controlling Provisions:** It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated. Any terms that conflict or could be interpreted to conflict with this attachment are nullified.
2. **Kansas Law and Venue:** This contract shall be subject to, governed by, and construed according to the laws of the State of Kansas, and jurisdiction and venue of any suit in connection with this contract shall reside only in courts located in the State of Kansas.
3. **Termination Due To Lack Of Funding Appropriation:** If, in the judgment of the Director of Accounts and Reports, Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges hereunder, State may terminate this agreement at the end of its current fiscal year. State agrees to give written notice of termination to Contractor at least 30 days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to 90 days before the end of such fiscal year. Contractor shall have the right, at the end of such fiscal year, to take possession of any equipment provided State under the contract. State will pay to the Contractor all regular contractual payments incurred through the end of such fiscal year, plus contractual charges incidental to the return of any such equipment. Upon termination of the agreement by State, title to any such equipment shall revert to Contractor at the end of the State's current fiscal year. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the Contractor.
4. **Disclaimer Of Liability:** No provision of this contract will be given effect that attempts to require the State of Kansas or its agencies to defend, hold harmless, or indemnify any Contractor or third party for any acts or omissions. The liability of the State of Kansas is defined under the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.).
5. **Anti-Discrimination Clause:** The Contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) (ADA) and to not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission or access to, or treatment or employment in, its programs or activities; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the Contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission, by the contracting state agency or the Kansas Department of Administration; (f) if it is determined that the Contractor has violated applicable provisions of ADA, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration.
Contractor agrees to comply with all applicable state and federal anti-discrimination laws.
The provisions of this paragraph number 5 (with the exception of those provisions relating to the ADA) are not applicable to a Contractor who employs fewer than four employees during the term of such contract or whose contracts with the contracting State agency cumulatively total \$5,000 or less during the fiscal year of such agency.
6. **Acceptance Of Contract:** This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.
7. **Arbitration, Damages, Warranties:** Notwithstanding any language to the contrary, no interpretation of this contract shall find that the State or its agencies have agreed to binding arbitration, or the payment of damages or penalties. Further, the State of Kansas and its agencies do not agree to pay attorney fees, costs, or late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect that attempts to exclude, modify, disclaim or otherwise attempt to limit any damages available to the State of Kansas or its agencies at law, including but not limited to the implied warranties of merchantability and fitness for a particular purpose.
8. **Representative's Authority To Contract:** By signing this contract, the representative of the Contractor thereby represents that such person is duly authorized by the Contractor to execute this contract on behalf of the Contractor and that the Contractor agrees to be bound by the provisions thereof.
9. **Responsibility For Taxes:** The State of Kansas and its agencies shall not be responsible for, nor indemnify a Contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.

10. Insurance: The State of Kansas and its agencies shall not be required to purchase any insurance against loss or damage to property or any other subject matter relating to this contract, nor shall this contract require them to establish a "self-insurance" fund to protect against any such loss or damage. Subject to the provisions of the Kansas Tort Claims Act (K.S.A. 78-6101 et seq.), the Contractor shall bear the risk of any loss or damage to any property in which the Contractor holds title.
11. Information: No provision of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101 et seq.
12. The Eleventh Amendment: "The Eleventh Amendment is an inherent and incumbent protection with the State of Kansas and need not be reserved, but prudence requires the State to reiterate that nothing related to this contract shall be deemed a waiver of the Eleventh Amendment."
13. Campaign Contributions / Lobbying: Funds provided through a grant award or contract shall not be given or received in exchange for the making of a campaign contribution. No part of the funds provided through this contract shall be used to influence or attempt to influence an officer or employee of any State of Kansas agency or a member of the Legislature regarding any pending legislation or the awarding, extension, continuation, renewal, amendment or modification of any government contract, grant, loan, or cooperative agreement.

EVT 0002279
ADDITIONAL CONTRACT TERMS

1. **RFP Section 3.9 Ownership**

Add the following to the end of this section:

This Section shall not apply to any Contractor forms and other tangible work product or materials prepared or developed by Contractor as part of its general business operations and not specifically for the subject matter of this contract.

2. **RFP Section 3.17 Hold Harmless**

Add the following to the end of this section:

Indemnification. The State agrees to provide Contractor with notice of claims to which indemnity is being requested within thirty days of the State's receipt of notice of the claim. Notice shall be provided to the Contractor's Risk Management Department, as follows:

Corizon Risk Management Department
106 Westpark Drive
Suite 200
Brentwood, TN 37027

Contractor's indemnification and defense obligations hereunder will not apply for expenses incurred or settlements offered or effected, prior to notice to Contractor. Contractor shall have the right to control the defense and/or settlement of the claim.

3. **RFP Section 4.9 Performance Guaranty**

Delete this section in its entirety. No performance guaranty is required as part of the contract.

4. **RFP Section 4.10 Performance Bond**

Change the amount of the required performance bond from \$2,000,000 to \$1,000,000.

5. **RFP Section 4.16 Bill Payment**

Change this section to the following:

The Contractor shall ensure that a procedure is in place for timely payment of all accounts payable. Bill paying practices that reflect negatively on the KDOC may require review by KDOC therefore; Any bill unpaid after 60 days from receipt of the bill must be reported to the KDOC on a late bill payment log. Any bill unpaid after 90 days shall be reported to the KDOC Director of Health Care Services Office (DOHCS) in the form of a late bill payment log. KDOC shall assess a \$100.00 fine for each bill unpaid after 90 days. Any bill unpaid after 120 days shall be submitted to KDOC DOHCS Office, on the late bill payment log. Any bill over 120 days shall be assessed \$1,000.00 per month per bill until the bill is paid and or rectified. Bills that are in the process of review by Medicaid for eligibility payment are exempt from these fines until the final process has been completed and assignment of responsibility is designated.

6. RFP Section 5.3.21 Telemedicine

Delete the requirement for DS3 lines. T1 lines are acceptable in lieu of DS3 lines.

7. RFP Section 5.16.1 Staffing Penalties

KDOC and the Contractor agree that staffing penalties will not be assessed for any staffing vacancies or hours not provided prior to April 1, 2014. To the extent KDOC has available funding after April 1, 2014, the waiver on staffing penalties may be continued until June 30, 2014 at the unilateral option of the KDOC.

8. RFP Section 4.18 Performance Guarantees

KDOC and the Contractor agree that any penalties for performance, including those outlined in this section and throughout Section 5, will not be assessed for any audit period prior to July 1, 2014.

9. Miscellaneous

KDOC and the Contractor agree that the Contractor's proposed electronic medication administration record, eZmar, will be implemented no earlier than July 1, 2015.

10. Miscellaneous

KDOC and the Contractor agree that the proposed unit for offenders in need of assistance with Activities of Daily Living (ADL) contemplated at the Winfield Correctional Facility will not be implemented and the Contractor is not required to provide staff for the ADL unit.

11. Scope of Services

KDOC and Contractor agree that Contractor shall be responsible for the provision of the "Carve-Out Services".

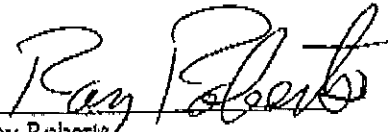
Consistent with RFP 0002279, the term "Carve-Out Services" is defined as inpatient hospitalizations, pharmacy services, behavioral health services, and the provision of an electronic health record.


12. Staffing

KDOC and Contractor agree that Contractor shall provide staffing consistent with the staffing plan contained in Contractor's October 3, 2013 Cost Proposal.

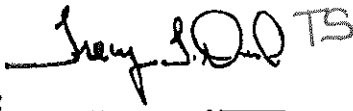
KDOC:

Corizon, Inc.:

By: 
Ray Roberts
Secretary of Corrections

By: 
Stuart K. Campbell
President and COO

DIVISION OF PURCHASES

By: 
Director of Purchases

RECEIVED

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DIVISION OF PURCHASES